(b) whether show-cause notices were issued for illegal imports of watch components and if so. what are the details thereof;

(e) whether similar action was taken against this company in May, 1991; and

(d) if so. the reasons for which such an action is being taken again against a Pub-iic Sector Unit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI KAMESHWAR THAKUR); (a) to (d) Action on intelligence, the officers of Central Excise Collectorate, Meerut visited the factory premises of M/s. HMT, Rani-bag on 18-5-1991 and detained the watches and watch parts of Elegance series shown in the table below under thei provisions of the Customs Act, 1962, pending further investigations. Subsequently, these goods were seized on 18-7-1991. Show cause notice alleging contravention of the provisions of the Customs, Act, 1962 has since been issued on 7-1-1992 to persons concerned with the goods in any way including M/s. HMT, Ranibagh.

Table

Value (Rs. in lakhs)

| | | |
|---|---|---|
| 1. | Integrated bracelet cases | 181.17 |
| 2. | Semi-finished and finished watches and watches under repair | 93.01 |
| 3. | Watches received for rework | 140.85 |
| 4. | Watch dials | 2.96 |
| 5. | Handsets | 0.31 |

**N.R.I. proposals on setting op of Welfare Institutions**

833. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state;

(a) whether the Central Government or State Governments have received proposals far establishing educational institutions and hospitals, from NRIs.

(b) if so, what are the details thereof;

(c) what action has been taken by Govenmnent in the matter; and

(d) whether Government propose to en courage NRI investment in building infra structure in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR); (a) to (d) Ministry of Health and Family Welfare have informed that NRIs have evinced interest in establishing hospitals and medical colleges in Delhi, Kamataka and Andhra Pradesh Government have announced a liberalised NRI investment policy under which NRIs are allowed $t_0$ invest upto 100 per cent in hospitals and advanced diagnostic centres with full repatriation benefits. They may also set up colleges from their own resources provided the college is affiliated to an university following prescribed procedures. NRI are) now also allowed to invest in housing, real estate and infrastructure.

**Engineering Industry's demand for Income Tax concessions**

834. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the Engineering Industry has urged the Central Government that

the earnings from turn-key and project exports should also be treated at par with other exports for Income Tax concessions; and

(b) if so, what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR); (a) Yes, Sir.

(b) Under Section 80HHC, exemption from income tax is allowed for the entire profits and gains derived by an assessee from the export of goods or merchandise mentioned in that Section. However, under Section 80HHB, exemption is allowed only for 50 per cent of the profits and gains from execution of any project or work outside India. This distinction has been deliberately maintained after taking into account the extent of fiscal support needed for s'ustaining and encouraging exports of the two categories mentioned' earlier. While commodity exporters are allowed 100 per cent exemption taking into account the comparative disadvantage faced by them in the international market, profits on project exports do not justify exemption in excess of the present fifty per cent.

**Introduction of self Removal Procedure in Customs**

835. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government proposed to introduce self removal procedure in customs; and

(b) whether Government have gone into the relative advantages of these changes and if so, what are the details thereof.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

**Directive on saving foreign exchange**

836. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that sometime back directives were issued against ther outflow of foreign exchange in view of foreign exchange crunch;

(b) what is the amount of foreign exchange spent during this financial year as compared to the corresponding period last year; and

(c) what is the impact of the directive on the saving of foreign exchange and what further steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR); (a) Yes, Sir. The Reserve Rank of India had issued a number of circulars mainly affecting imports to contain outflow of foreign exchange.

(b) Foreign exchange spent on imports during this financial year between April 1991 to December 1991 was Rs. 34,238 crores ($ 14272 million) compared to Rs. 31.724 crores ($17,962 million) during the corresponding period last year.

(c) As a result of restrictions combined with a number of other measures to contain outflow of foreign exchange and increase the inflow, the foreign exchange reserves increased from Rs. 4388 crores at the end of March, 1991 to Rs. 11,424 crores as on February 22, 1992. However, RBI has removed the restrictions in respect of imports of raw material and components and relaxed substantially the earlier restrictions in respect of imports of capital goods. These steps have been taken to facilitate, inter alia, increase in exports and thus, earn more foreign exchange.

**Substitution of currency notes by coins**

837. DR. NARREDDY THULASI REDDY: Will the Minister of FINANCE be pleased to state: